



Executive Summary to School Board

Finance, Facility, Enrollment and Demographics Overview

September 27, 2018

School board members are currently engaged in discussions regarding its use of district facilities - both short term and long term - in order to best meet the needs of students. While the conversation to date has largely focused on the short-term capacity needs of Brookview Elementary, as well as the future of the Oak Park building, the most immediate question before the school board is a financial question.

For the past several years the district has been making many of its facilities and operational decisions based on the direction set forth by the [2014 Long Range Facility Plan](#), the [2015 bond referendum](#), and the [2016 Building Opportunities to Learn and Discover](#) (BOLD) plan. Each of these plans, and subsequent decision making made by the board, has had and continues to have an impact on the budget.

The district is projected to deficit spend its general fund by greater than \$2.5 million for the current school year, based on the 2018-2019 preliminary adopted budget. This deficit spending means that the district will dip below the five percent unassigned general fund balance (different than assigned funds) that is written in [School Board Policy 5.4](#), and the board must take actions to ensure the required fund balance is maintained.

The district's budget committee, and the school board's finance sub-committee, continuously review implications and makes recommendations based on financial assumptions. In addition, information about the district's current financial reality has been formally shared with board members and the public during presentations since June of 2017.

This executive summary is a compilation of information previously shared, as well as responses to school board member questions, and is divided into the following sections:

1. Current financial influences
2. Current facility and space influences
3. Demographic influences
4. Market share influences
5. Considerations for Brookview expansion
6. Considerations for Oak Park and Central Services

Based on this information, the administration believes it is in the district’s best interest to do the following:

Short-term (60 days)

- Address the current \$2.5 million general fund deficit spending (Board action by December 2018)
- Build out Brookview Elementary to be ready to welcome students and families in the fall of 2020 (Board action by December 2018)

Long term (3-12 months)

- Charge administration to convene a Long Range Facilities Planning Task Force, including financial implications (January - June 2019)
- Identify the school board’s spending priorities for the future, and if new spending is required, identify from where the funding will come (January 2019)
- Move Central Services staff to Oak Park and sell the current Central Services Building
- Consider revenue enhancement opportunities to address long-term financial needs (Spring 2019)

Current Financial Influences

As stated before, the district is projected to deficit spend its unassigned general fund by greater than \$2.5 million for the current school year. It should be noted that “general fund spending” is not the same as “capital spending” (see table below). This is an important distinction in the conversation related to an expansion of Brookview Elementary or re-opening of Oak Park Elementary. Expanding Brookview would be a one-time facility expense to Capital budget. Re-opening Oak Park as an elementary school would be an ongoing annual expense from General Fund. The board, per its policy, must not implement new programming (which incurs a general fund expense) unless related expenses are matched directly by a revenue source.

| Type of Fund | What it pays for | What it is equivalent to in real-life terms |
|---|---|---|
| General Fund | Day-to-day operations of a school district: - Salaries - Benefits - Supplies | Household utilities, TV bill, grocery bills |
| Capital/ Long Term Facility Maintenance Fund | Structural or longer term components of the school district | Home roof repair, plumbing fix, new furniture, etc. |

The school board has been aware of the district’s general fund budget projected shortfall, and made several decisions that have influenced the budget, including:

- **Fund Balance Reductions:** At the beginning of 2016, the board approved a general unassigned fund balance reduction to support technology infrastructure (\$2 million), increase staff to reduce class sizes (\$1 million) and provide for secondary transitions (\$1 million). This reduced the unassigned general fund balance to \$7 million. Since then additional costs for things like transportation, grade configurations, and mental health services have continued to deplete the fund balance to below the board-approved five percent balance.

| Unassigned fund balance history | | | | |
|---|--------------------|---|--------------------|--|
| Year | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 |
| Total unassigned fund balance | \$9,137,032 | \$11,753,286 (of which the board committed \$4 million for transition, technology and staffing) leaving \$7,753,286 | \$7,852,065 | \$4,215,589 (This amount would have been \$7,082,383 or 6.4% before deficit spending mainly due to contract parameters set by the board) |
| Percent of unassigned fund balance | 9.9% | 7.4% | 7.8% | 3.9% |

- **Contract settlements:** During the contract negotiations discussion in June 2017, board members established parameters based on the budget projections. Budget projections at that time were based on a zero percent increase on salary schedule improvements in contracts, and board members were reminded that any salary improvements would result in deficit spending. The board approved a 1.5 percent increase in contract settlements, which equates to approximately \$2.4 million - contributing to the budget deficit for the current year (see table above). It is important to note that in any given year, with no additional increase to the salary schedules, movement of staff through steps and lanes (based on contract language) adds an additional \$850,000 - \$1 million in annual spending.
- **Non-voter approved levies:** Initially, in the spring 2017, the board did not approve moving forward with levying additional dollars for Other Post-Employment Benefits (OPEB), which would have impacted the 2018-2019 school year. In May 2018, board members discussed the opportunity of increasing revenue again by nearly \$2 million through two non-voter approved levies: OPEB and Q-Comp. The district had the opportunity to generate up to \$1 million annually through OPEB and another \$745,000 annually through Q-Comp, which could have helped address the general fund budget shortfall. The board did approve a portion of the OPEB levy, which will generate \$722,673 for the 2019-2020 school year. The board did not approve any

Q-Comp dollars. Future decisions to increase revenue through these types of levies would not impact the budget until 2021.

- **Start times adjustment for transportation savings:** In March 2018 the board was presented with options for changing school start times that would have reduced transportation expenses through a tiered busing adjustment. As of March 2018, the board passed a motion to not draft a start time proposal and directed the community engagement working group to convene a committee to study the topic further.

Most recently, during seven finance work sessions with the school board, the administration shared historical spending decisions and their impact. Administration also recommended that board members discuss their funding priorities and finding ways to (1) reduce spending; (2) bring more revenue into the system, or (3) a combination of both.

All of the finance presentations can be found here:

- Nov. 28, 2017: [Finance 101](#)
- Dec. 1, 2017: [Finance 102](#)
- March 28, 2018: [Budget assumptions](#)
- April 18, 2018: [Budget timeline and history](#)
- May 3, 2018: [Levy basics](#)
- May 29, 2018: [Impacts: Employee contracts and class size](#)
- June 7, 2018: [OPEB and Q-Comp discussion](#)

As of the time of this writing, no specific direction has been given with regard to priorities or spending reductions, although suggestions for adding possible programming and reducing class size continues to be a topic for discussion.

It's also important to note that the district's current voter-approved operating levy, which was approved by voters in November 2013, will expire after the 2021-2022 school year. If this levy is not renewed, the district would lose \$12.2 million in revenue beginning with the 2022-2023 school year.

Bond Proceeds

The \$97.5 million bond, which was approved by voters in May 2015, paid for a major addition and remodeling at the high school to make room for ninth grade students, as well as other building projects to support the new 6-8 middle schools and preK-grade 5 elementary schools. It also funded construction of a new elementary school (to replace Valley Crossing Community School) and provided funds to be used toward a new bus garage.

As of June 30, 2018, a total of \$9,623,516 remains of the bond budget. This will cover all of the remaining items, listed in the chart below. Note: Bond proceeds can only be used for purposes spelled out in the Review and Comment documentation, which was approved by the Minnesota Department of Education in 2015.

| | |
|---|--------------------|
| Bond 2015 Fund Balance (at end of 2017-2018) | \$9,623,516 |
| Bond 2015 - Remaining expenses | |
| Playground surfaces | \$1,000,000 |
| High school cameras | \$400,000 |
| Retainages | \$500,000 |
| Tennis Courts | \$100,000 |
| *Bus garage | \$7,000,000 |

*The total cost of the new bus garage is estimated to be \$7 million. While the original bond request set aside \$3.5 million toward a bus garage, savings at the time of the bond sale (\$2 million), interest earnings (\$928,207) and coming in positively on other bond related budgets will make up the difference. In addition, by owning a bus garage instead of leasing, the district will receive revenue from the transportation company. The anticipated net revenue increase is \$140,000 annually in the general fund.

Current Facility and Space Influences

The district is currently running efficiently with regard to space utilization at the elementary level. Class size and available classroom spaces are tracked closely when considering building usage within our elementary schools. Class size is not automatically related to building capacity. Having more space within a building doesn't mean class sizes will be lower, just as occupying every classroom in a building doesn't mean classes are overflowing. The staffing ratio (see chart below) dictates how many teachers will be allocated based on student numbers at a grade level.

Class sizes

Class size is determined by the school board's staffing ratio. After initial teachers are assigned to classrooms based on the ratio, a low/high range then determines limits of when to reduce or add additional support or sections to a grade level inside of a building.

| Current Staffing Ratios/Ranges | | | |
|---------------------------------------|------------|-----------------------------|-------------|
| Grade level | Low | Board staffing ratio | High |
| Grades K-1 | 17.42 | 21.42 | 25.42 |
| Grades 2-3 | 21.42 | 25.42 | 29.42 |
| Grades 4-5 | 26.42 | 29.42 | 32.42 |

As of September 20, 2018 there are 144 total elementary sections in the district. See chart of [elementary students per section](#). There are two sections at Andersen that are less than one student above the range, however an additional position (1.0 full time equivalent or FTE) was allocated to support those two grade levels. This effectively brought the second grade student/teacher ratio down to one teacher to 23.2 students, and the fourth grade ratio down to one teacher to 26 students. There is also one Spanish Immersion section at Lake Elmo that is above the range. This was an intentional building decision due to the availability of paraprofessional and cultural liaison support for the classroom. Twenty sections across the district currently fall below the range. Because of school consolidation, we have more classrooms at each grade level in a building, allowing us to spread students out across those classrooms and consistently fall within the current staffing ranges. The result is the elimination of multi-grading in all of our schools. We also provide more support to our students by providing our elementary students with access to at least one mental health support person all day, every day.

The desire to reduce class sizes has come up time and time again, through conversations with the community, both online and in person. School board members and district staff would also like to see class sizes reduced across the district. Unfortunately, reducing class size comes with a significant financial investment. Understanding staffing ratios and ranges is necessary when looking at the chart below, which was shared most recently with the school board in May 2018 and shows the anticipated additional annual cost for lowering class sizes.

| Action | Additional FTE | Additional Annual Cost |
|---|----------------|------------------------|
| Remove Elementary Range on Ratio (Add'l FTE added when board ratio exceeded) | 19.95 | \$2.1 Million |
| Reduce Elementary Range by one (Add'l FTE added when Board ratio exceeded) | 8.95 | \$940,000 |
| Reduce Elementary Ratio by one No Range on Ratio (Add'l FTE added when Board ratio exceeded) | 27.95 | \$2.95 Million |
| Reduce Secondary Ratio by one | 5.27 | \$553,350 |

The first row indicates the additional FTE and corresponding cost if the upper class size “range” were eliminated. The second row shows the FTE and corresponding cost if the the upper class size “range” were reduced by one for all elementary grades. The last two rows speak to the “ratio.” The third row shows the additional FTE and corresponding cost to reduce the elementary staffing “ratio” by one, at all grades. The last row shows the additional FTE and corresponding cost to reduce secondary staffing “ratio” by one, at all grades.

It is clear that no matter how great the desire is to reduce class size, there is a significant cost. To make it a feasible and sustainable option requires reductions to be made elsewhere in the general fund budget, additional revenue be brought into the system through levies or other funding mechanisms, or a combination of the two.

Capacity

Building capacity can be defined in a variety of ways based on how the space within a building is being used. For the past three years, our administrators have defined capacity based on ideal programming. We've identified spaces in the building that are used for specialized programs, like art, band/orchestra, as well as the smaller spaces used for small group instruction. Then we've taken each of the remaining classroom spaces and multiplied that number by 25 students, which is the average number of students based on our class size ratios. This gives us our ideal programmatic capacity, which for most of our schools currently places us above a 90 percent capacity - which maximizes efficiency and minimizes expenses. Were we to put more students in a classroom, or change the type of programming offered in other spaces, we'd have additional space in all of our buildings for more students.

When determining a building's specific capacity, we consider three things:

1. Types of spaces
2. Class size ratio to determine how many students occupy each space
3. Types of programming in the building

Each of our buildings is different and complex, and therefore a change in how space is used in one building may not be possible in another. Elementary buildings have a variety of learning spaces - some large enough to hold a full class of students and some smaller spaces designed for smaller groups of students. Intervention and special education groupings are typically between one and 10 students and utilize small spaces.

Based on the most current numbers and configuration, we have more than 600 open seats across our elementary programming ([see capacity versus enrollment chart](#)). Approximately 330 seats are located in schools south of Highway 36 and 275 seats are in schools north of Highway 36. ***In total, our southern schools have four available spaces that could be used for additional classroom sections, and our northern schools have 10 available spaces that could be used for additional sections** (see [available rooms chart](#)). When multiplying those 14 rooms by 25 students (which is the average of our class size ratios), there is theoretically space within our elementary schools to accommodate 350 additional students.

**Please note this information was corrected from the version posted on 9/21/18*

To provide context around the capacity question, the chart below shows each elementary school at its highest enrollment since 2002 versus its current enrollment.

| Building | Highest Enrollment | | Current Enrollment 2018-2019 | Difference |
|----------------|--------------------|--------------------|---------------------------------|------------|
| | Year | Number of students | Number of students | |
| Afton-Lakeland | 2002 | 538 | 450 | -88 |
| Andersen | 2003 | 393 | 343 | -50 |
| Brookview | 2018 | 451 | 451 | 0 |
| Lake Elmo | 2010 | 778 | 665 | -113 |
| Lily Lake | 2003 | 647 | 486 | -161 |
| Rutherford | 2010 | 766 | 606 | -160 |
| Stonebridge | 2002 | 511 | 456 | -55 |

The secondary buildings also run very efficiently. They are staffed at 33.08 students for every one teacher in grades 6-12. Stillwater Middle School also houses the GATE program (50 students), while Stillwater Area High School houses the St. Croix Valley Area Learning Center (50-70 students).

As stated earlier, the district is currently operating very efficiently, allowing us to spend more of our resources on students and less on buildings. There is room for growth across the district. The challenge for our district remains unchanged from what was discussed three years ago - our existing buildings are not in the right locations as the majority of elementary schools are located north of Highway 36 while the growth is occurring in the southern part of the district.

Current Demographic Influences

Every few years our district works with outside consultants to analyze demographic trends. In between these formal studies, district staff also confers regularly with city and county planners and other local officials to learn about new developments in the area, real estate changes or other demographic influences. Demographic projections can change over time and the district invests time and resources to track these changes.

The most current demographic projection study was completed by TeamWorks International in [March 2018](#). The data compiled for this report came from multiple sources (see [list of resources](#)). All historical student enrollment and facility capacity data was obtained from the Stillwater Area Public School District. All demographic data including overall population, race and ethnicity, and age was obtained from a third-party vendor. Resident birth data was obtained from the Minnesota Department of Health

(available monthly). All parcel data, which is updated monthly, including type of dwelling, estimated market value, decade built, home sales by year and average sales price was obtained from the MetroGIS Regional Parcel Dataset, which is a compilation of all seven metro counties who have made their parcel data available. All active and future housing development data was obtained from a third-party vendor, and is updated quarterly. The results of this report confirm demographic trends identified in previous reports completed by Hazel Reinhart in [February 2014](#) and [February 2016](#).

The TeamWorks report covers demographic projections out to the 2022-2023 school year. Among it's key findings:

- The district's overall enrollment is projected to decline by 1.9 percent from 8,193 to 8,036 students by 2022-2023.
- The district's population center is shifting from north to south
 - New housing developments and births are on the rise in the south, while birth rates are declining in the north
 - Schools in the southern part of the district are nearing capacity, and continued growth and/or increases in market share will require more space in those schools than is currently available
 - Middle school population is projected to flip from the north to south
 - The high school population is projected to remain relatively unchanged

While we have adequate space across the district currently, we will need more space in the Woodbury and Lake Elmo areas into the future. In the short-term, adding on to Brookview Elementary School has been part of the plan since time of the building's construction, and is recommended and supported by the demographic data. Longer term, the enrollment shift to the south has the potential to impact our secondary buildings as well. Stillwater Middle School currently has an enrollment of more than 1,000 students, while Oak-Land Middle School's enrollment is below 950. If the trend continues, we expect to see these numbers shift, which is problematic considering Oak-Land is not built to house more than 1,000 students.

Market share influences

Based off of 2017-2018 enrollment information, the school district attracts 71.7 percent of all eligible students within its boundaries. This number has declined over the past 10 to 15 years as competition has increased within our community. Some factors to consider related to the district's market share include:

- Our district is flanked by Wisconsin on its east side. Other than those who wish to enroll across a state line at a tuition rate of about \$10,000, this all but eliminates marketing to the east.
- Until 2017-2018, families in Woodbury did not have a Stillwater school in their area. They either had the opportunity to enroll in Valley Crossing Community Schools (which was a joint venture between three school districts) operated by South Washington School district, or they could open enroll into a Woodbury school as it was closer in proximity to where they lived than attending one of our buildings.

- There are three charter schools, St. Croix Prep (K-12), New Heights (K-12), and River Grove (K-5), which operate within the boundaries of the school district. Each of these offers a unique program and provides choice to families.
- The parochial schools, both inside and outside of our district, offer faith-based education which some families desire and our public school district cannot offer.
- Nearly three percent of families in our district are homeschooled.

Marketing our schools to attract more students seems like a simple solution to our financial challenges. Increasing our market share, or retaining more of our eligible students, does increase revenue for our district, however, it potentially increases classroom staffing, support staffing, and material costs. If we gain students through new developments or through open enrollment from other districts, we will need to ensure we have the space not just in our elementary schools, but in our middle and high schools as well. As stated before, class size is a function of the ratio set by the board. Before considering ways to increase current grade level class sizes and/or lowering the ratio across all secondary grades, we would need to ensure there would be enough space based on entire grade level numbers.

Considerations for Brookview Elementary Expansion

Brookview Elementary School, located in Woodbury, was designed and constructed with the intent to build out to accommodate 600 students. Currently, there are families who can see the building from their homes and are not able to attend due to its current capacity of 450.

It is anticipated that by the end of 2019 a new development with 240 single family homes will be built directly east of Brookview. According to the demographic study, the current single family housing yield rate in Woodbury is .39, which means for every three homes we can expect 1.17 students. Multiplying this out, this new development is projected to generate approximately 100 students right next door to the building. In addition, there is a townhome/condo development still in “future development” status that is expected to include 300 housing units, which are projected to generate .49 students per unit, and 396 future developments of single family units (.39 student/unit). It is likely that in the next ten years, the district could see upwards of 395 more students in the area. It should be pointed out there is still more available land in the current Brookview attendance area which is not yet planned for development.

Another important influence to the Brookview expansion discussion is the location of a South Washington County school just two miles from Brookview. If there is no room for students at Brookview, families may choose to open enroll into Liberty Ridge Elementary. Should this occur, Stillwater would not only risk losing potential students, but could also lose current students.

A Brookview expansion does not impact the district’s general fund budget. The total cost for expansion (based on a January 15, 2018 projection) would be about \$4.5 million for six new classrooms, \$5.14 million for seven new classrooms and \$5.4 million for eight new classrooms. Keep in mind construction

costs increase each year. To delay a decision by even one year would likely add five percent to the cost, according to Kraus Anderson, our construction management company.

The cost for expanding Brookview could be offset from the previous sale of Washington School (\$1.5 million) and a property in Afton (\$235,000), as well as the pending sale of Marine Elementary (information pending). A possible sale of the Central Services Building and Withrow Elementary would further reduce the cost. The remainder could be paid through a board-approved lease levy (called a certificate of participation), which is the same funding mechanism used to pay for the Early Childhood Family Center. A certificate of participation (COP) is a type of financing where an investor purchases a share of the lease revenues of a program rather than the bond being secured by those revenues. COPs are secured by lease revenues. The impact to taxpayers depends on our ability to sell additional property, thereby decreasing the lease levy amount. Our lease levy amount would increase between \$200,000 and \$515,000 a year (currently we have more than \$1 million before we hit our cap) depending on the size of borrowing. This translates to annual tax impact (fifteen year borrowing) on a \$250,000 home of approximately \$4.60 to \$12.80 again depending on the size of borrowing. A Certificate of Participation would need to be approved by the MN Department of Education.

Considerations for Oak Park and Central Services Building

Re-opening Oak Park and utilizing existing space across the district to address growth in the south could be an option, but would require boundaries to be redrawn. However, boundary changes are a short-term solution due to the level of density surrounding Brookview and the anticipated growth in the south. In order to ensure space would be utilized efficiently in each building and that enrollment would be appropriately balanced, this would most likely require that alternate enrollment options be significantly limited. Keep in mind, when Oak Park was an elementary school it had a low capture rate of just 51.6 percent. There were 117 students from Oak Park alternately enrolled to other Stillwater schools, and 132 students alternating into Oak Park (the majority of these students were part of the GATE and autism spectrum disorders/ASD programs). Therefore, a major consideration for opening has to be how to control district-wide alternate enrollment.

It is important to note that re-opening a school would not require a large investment of capital dollars, but would result in additional expenses to the general fund - which, as discussed previously, is currently facing a \$2.5 million deficit. Re-opening Oak Park as an elementary school would require a general fund investment in excess of \$650,000 annually to provide support staff to include a principal, secretaries, custodians, nurse, behavioral paraprofessional, student advocate, school psychologist, and instructional coach. This figure does not include classroom teachers or special education staff and paraprofessional support.

Any option, including reopening Oak Park as a choice school, would have the same or an increased negative financial impact to the general fund. Providing a choice school is problematic in that without an attendance boundary to pull from there is little control over who will attend. This creates imbalanced elementary enrollment across the district, and can further increase district costs to the general fund as a

result of inefficiencies. A choice program would also create an opportunity for inequity for families, as they would need to provide their own transportation to attend a choice school.

Currently, Oak Park is housing the 18-21 year old Transition program, which takes up five classrooms and an office space, and serves 28 students. It also houses the YCAPP (alternative to suspension) program, which fills one classroom and serves varying numbers of students, and several Student Support Services staff members. This building does have operating expenses associated with these programs in this building. However, custodial time is shared between multiple buildings and custodial hours are reduced compared to a fully utilized building.

The idea of moving central services staff to an existing building was first brought up by the Long Range Facilities Planning Task Force in 2014, and was outlined in information materials for Bond 2015. Oak Park was identified as a viable location as part of the BOLD discussions in December 2015 through March 2016. Moving central services staff into Oak Park would allow the district to sell the current Central Services Building (CSB). A portion of the proceeds from the sale of CSB could be used to help offset the cost of a Brookview expansion, while remaining proceeds could help pay for building renovations.

Housing central services staff at Oak Park has no impact on the district's general fund. To date, the district has utilized about \$83,000 in capital expenditures to remodel the Oak Park media center for use as a board meeting room, which includes video equipment and carpeting. Approximately \$500,000 more would be needed to renovate the rest of the building for central services staff. This includes creating shared office space, mechanical work, fire sprinklers, minimal casework and drywall, doors and basic repairs. Funds from the capital reserve could be used to cover the cost of this until the sale of the CSB building. Additionally, if the Transitions program remains at Oak Park there are programmatic remodeling needs that have not yet been made.

While there is no indication from the demographic studies that Oak Park will be needed as an elementary school in the near future, should the neighborhood around Oak Park "turnover" and new families with school-age students move into homes, the building could easily be turned back into an elementary school.

Oak Park can be seen as a safety valve for the north and central part of the district. Many districts move their district offices into buildings for these reasons. White Bear Lake and Mounds View have moved central services into an existing school in such a manner that the building can be used as a school when needed again.

Conclusion

Students are at the heart of everything we do within the school district. In order to best meet the needs of our learners, we are committed to using our resources in the most effective and efficient manner possible. In an effort to ensure our students have learning environments that meet their academic, physical, social and emotional needs, district leaders must consider both programmatic and facility needs now and into the future.

To that end, we strongly recommend the school board take the following actions, as outlined on page 1:

- Address the current \$2.5 million general fund deficit spending (Board action by December 2018)
- Build out Brookview Elementary to be ready to welcome students and families in the fall of 2020 (Board action by December 2018)
- Charge administration to convene a Long Range Facilities Planning Task Force, including financial implications (January - June 2019)
- Identify the school board's spending priorities for the future, and if new spending is required, identify from where the funding will come (January 2019)
- Move Central Services staff to Oak Park and sell the current Central Services Building
- Consider revenue enhancement opportunities to address long-term financial needs (Spring 2019)

Additional Resources

- Stillwater School District Enrollment Projections, Hazel Reinhardt, [February 26, 2014](#)
- Stillwater Projection Analysis, Hazel Reinhardt, [February 18, 2016](#)
- Demographic, Enrollment, & Housing Analysis, Teamworks International, [March 2018](#)
- Long-Range Facilities Planning Committee Final Report to the Board of Education for District 834, [November 2014](#)
- Building Opportunities to Learn and Discover (capacity and demographic information), [December 17, 2015](#)
- Building Opportunities to Learn and Discover Recommendation, [January 7, 2016](#)
- Building Opportunities to Learn and Discover Final Report to the School Board, [March 3, 2016](#)
- 2017-2018 District Enrollment Information, [October 1, 2017](#)
- [Board meeting reports and agendas](#) (all public data)

Appendix:

Additional questions from board members:

1. **Why did we sell the Afton property?** This parcel was too small to build on and was not zoned appropriately for our purposes.
2. **What is a real estate estimate for the potential sale of Withrow?** The last appraisal was conducted in 2016. We would need an updated appraisal to answer this accurately.
3. **Can we "borrow" from capital smaller needs (those costs that may increase little from year to year - paint, carpet, etc) to fund these larger needs (Brookview, Bus Garage, OP) now? And then do the smaller projects in future years.** We receive approximately \$2 million annually in capital dollars. This covers many items such as technology, repairs and maintenance, etc. We would not be able to bridge the gap to "borrow" and cover expenses for a project that is Brookview's size.
4. **Several people have suggested that we simply detach from the city of Woodbury proper, as that may somehow alleviate the overcrowding we have at Brookview or Lake Elmo. Could we please get a report on the impact that Woodbury students and the Woodbury tax base has on our budget?**
 - Tax base is 14.54 percent for Woodbury.
 - Elementary attendance in our buildings from 2017-2018 = 644 students from Woodbury
 - Total attendance in Stillwater schools 2017-2018 = 1,292 students from Woodbury
 - A tax base decrease would mean that the remaining tax base would have to absorb more of the levy.
5. **I believe the Partnership Plan helped fund WEB and Link Crew. How much will it cost to continue these amazing programs after TPP funding runs out?** The Partnership Plan paid for the initial training. Future costs would be for future training (every third year) and ongoing stipends of \$10,475 annually.
6. **How much has the board spent in mileage, parking, in addition to our stipend?**
 - Conference registrations = \$2,127.74 (MSBA, Eventbrite, AMSD)
 - Mileage/parking = \$592.93
7. **How much will we need to budget for upcoming technology needs? What would the process be if we decided to go out for a tech levy?** The cost would be \$250 per student or \$2.1 million annually. We currently budget \$118 per student for technology. The board approved one time funds in 2015-2016 that actually bumped this up to \$300 per student for two years. Now we're back to budgeting \$118 annually. A future technology levy could fund the entire \$2.1 million so the general fund gets back the roughly \$1 million we currently budget for technology needs.

8. Has the administration considered looking at a Dean model? What are the pros and cons?

A dean model was last considered during the 2014-2015 school year. There was resistance to the model due to the reduction of counselors needed to make the model work. A dean model saves very little money and does not improve services for students.

9. How do the number of total administrative positions in 2015-16 compare to the number and cost of the 2014-15 positions and costs (and subsequent years)? What additional Administrative positions were added? What Administrative staff titles and compensation were upgraded? What additional Directors and supervised staffing and others took place during that time period? What changes were made in the titles and compensation?

Numerous administrative changes have occurred since 2014-2015 as a result of restructuring of positions and/or reorganization of departments. In many cases when a “new” administrative position was created, another position within the district was eliminated. School board members receive updates whenever administrative hiring is done, and approve all position changes as part of the school board consent agendas. As indicated on the chart below, the district spends less per student served than both the seven county metro and state-wide averages for administrative and district support costs.

| Administration and district support costs per student served, based on <u>total</u> program cost including purchased services, supplies, etc. | | | |
|--|-------------------|------------------------------|------------------------------|
| Year | Stillwater | Seven County Metro | State-Wide |
| 2018 | \$945 | <i>Data not yet gathered</i> | <i>Data not yet gathered</i> |
| 2017 | \$896 | \$996 | \$991 |
| 2016 | \$783 | \$958 | \$960 |

It is important to define the label “administration” when asking questions about costs because there is a wide variety of positions that may be perceived as “administration,” but are actually not accounted for that way. For budgeting and auditing purposes, each position is defined through UFARS codes. From a budgeting perspective, administrative costs are at or below four percent which is in alignment with expected costs for district operations.

Administration, as defined within the annual audit are coded as 010-099, includes all costs for general administration, instructional administration and school site administration for the school district. Administrative services are defined as those provided by head administrators who are in charge of instructional or instruction-related units. This includes the school board, superintendent, principals, assistant superintendents, and directors of instructional areas. Included are the costs of their immediate offices, including those individuals (such as clerical support) in direct support of the administrator. This series does not include administrators of non-instructional activities - for example the executive director of finance and operations, the

executive director of administrative services, or other directors/managers not directly tied to student instruction.

District support services, as defined within the annual audit are coded to 100-199, includes many of the other general administrative support not listed above. This includes anything related to human resources, technology, fiscal operation, business management, enrollment, etc.

The chart below shows the difference between both categories, including codes 010-099 and 010-199.

| Costs for Stillwater Area Public Schools | | |
|---|--|---|
| Year | Administration salary and benefits (per UFAR codes 010-099) | Administration and district support salary and benefits (per UFAR codes 010-099 and UFARS 100-199) |
| 2017-2018 | \$3,312,286 | \$5,806,396 |
| 2016-2017 | \$3,460,754 | \$5,898,313 |
| 2015-2016 | *\$3,435,337 | \$5,797,821 |
| 2014-2015 | \$3,185,375 | \$5,566,232 |
| 2013-2014 | \$3,052,077 | \$5,337,040 |

**Board approved an annual expense to support a restructuring of the Learning and Innovation Department to better support teachers and students.*

10. **Did we change the comparables from the Northeast Metro Districts to Metro Area Districts including the higher paying Western Metro Districts during that time period?** The 2013-2015 comparables for negotiation purposes included: Mounds View, Roseville, White Bear Lake, Eden Prairie, Forest Lake, Mahtomedi, South Washington County, Hastings, Minnetonka, Eastern Carver County, Edina, Wayzata, Prior Lake, North St. Paul. The comparables, beginning in 2015-2017 were changed to: Forest Lake, Hastings, Mounds View, North St. Paul, Roseville, South Washington County, and White Bear Lake. This change was made at the direction of the superintendent at the time, in order to be aligned with district’s more similar to ours, eliminating several of the higher paying western districts.

11. **What additional capital improvements would be needed and how much would it cost to make Lake Elmo a quality facility for the present and anticipated student enrollment increase?** Seeing the scope of work for Lake Elmo has yet to be defined, this would be an appropriate conversation for the long-range facility planning task force. Recent improvements include

remodeled medically complex program area, front office/entry for security, upgraded sewer system and playground surfaces.

12. **My concern is that on the report regarding Oak Park and Brookview options, it claims that enrollment will decline by 2020. That doesn't seem to match what is in the earlier report, and I just can't see at all how it is likely. Lake Elmo alone has nearly 2000 new homes already in the pipeline.** The report projects a 1.9 percent decline out to 2022-2023. The report explains projections are based on current data and active developments, and do not include future developments. The report does share what the market yield would be if future developments become active. When those projections, based on future housing types are added in, the enrollment would actually increase. Regarding types of homes, the expected yield of market share is dependant upon the type of home being built. Visually seeing homes does not automatically mean student numbers.
13. **I'm wondering if we could have Dennis Cheesebrow run the numbers he has, using an assumption of 100 percent capture rate in all areas. In other words, I want to know how many school age children we can expect in the different areas, not just how many will enroll.** The answer to both of these is covered in the demographic report. Our understanding in conversations with demographers is that using a 100 percent market share is unrealistic in today's climate with school choice, and therefore not part of the study. Options for parochial, charter and home schools will continue.
14. **I believe the formula he used that was shared with us last June is flawed, and is understating what the actual enrollments will likely be. The capture rate, currently as you know, at 70 percent, is applied more than once, so that the final result is too low. Additionally, our capture rate will likely go up because of all of the amazing initiatives we are putting in place.** See answers to questions 11 and 12. Based on current numbers, the result is pretty close. If we take day one numbers of +130 and subtract approximately 90 to 100 students (which is mostly high school student loss), we end up within 30 students of the projection. Also, it should be pointed out that the budget committee made an assumption of 17 students.
15. **If we started with an actual population forecast and then played with some capture rate goal setting ideas, we could get a sense for what is possible.** The population forecast is in the TeamWorks report (p.4 - 24, and then birth analysis). Absent of looking at the totality of variables to the system (e.g. net growth that would increase grade level number larger than what we have capacity for at the secondary level), rather than just the actual population, it would not be appropriate to make capture rate goals.

Afton Lakeland

| Current Setup | | Maximum available classrooms (based on current programming) | |
|---------------|------------------------|---|------------------------|
| 18 | General Classrooms | 20 | General Classrooms |
| 2 | PreK | 2 | PreK |
| 2 | SPED | 2 | SPED |
| 1 | Music | 1 | Music |
| 1 | Art | 1 | Art |
| 1 | Intervention | 0 | Intervention |
| 1 | Open | 0 | Open |
| 26 | Total Classroom Spaces | 26 | Total Classroom Spaces |

Andersen

| Current Setup | | Maximum available classrooms (based on current programming) | |
|---------------|------------------------|---|------------------------|
| 15.5 | General Classrooms | 15.5 | General Classrooms |
| 1 | PreK | 1 | PreK |
| 1 | SPED | 1 | SPED |
| 1 | Art/Music | 1 | Art/Music |
| 19.5 | Total Classroom Spaces | 19.5 | Total Classroom Spaces |

* The .5 represents the additional room shared between 2nd and 4th grade

Brookview

| Current Setup | | Maximum available classrooms (based on current programming) | |
|---------------|------------------------|---|------------------------|
| 19 | General Classrooms | 19 | General Classrooms |
| 2 | PreK | 2 | PreK |
| 1 | Music | 1 | Music |
| 1 | Art | 1 | Art |
| 23 | Total Classroom Spaces | 23 | Total Classroom Spaces |

Lake Elmo

| Current Setup | | Maximum available classrooms (based on current programming) | |
|---------------|------------------------|---|------------------------|
| 26 | General Classrooms | 28 | General Classrooms |
| 2 | PreK | 2 | PreK |
| 5 | SPED | 5 | SPED |
| 1 | Music | 1 | Music |
| 1 | Art | 1 | Art |
| 2 | Intervention | 0 | Intervention |
| 37 | Total Classroom Spaces | 37 | Total Classroom Spaces |

Lily Lake

| Current Setup | | Maximum available classrooms (based on current programming) | |
|---------------|------------------------|---|------------------------|
| 21 | General Classrooms | 21 | General Classrooms |
| 2 | PreK | 2 | PreK |
| 4 | SPED | 4 | SPED |
| 1 | Music | 1 | Music |
| 1 | Art | 1 | Art |
| 29 | Total Classroom Spaces | 29 | Total Classroom Spaces |

Rutherford

| Current Setup | | Maximum available classrooms (based on current programming) | |
|---------------|------------------------|---|------------------------|
| 24 | General Classrooms | 28 | General Classrooms |
| 2 | PreK | 2 | PreK |
| 2 | SPED | 2 | SPED |
| 1 | Music | 1 | Music |
| 1 | Art | 1 | Art |
| 1 | Multipurpose | 0 | Multipurpose |
| 3 | Open | 0 | Open |
| 34 | Total Classroom Spaces | 34 | Total Classroom Spaces |

Stonebridge

| Current Setup | | Maximum available classrooms (based on current programming) | |
|---------------|------------------------|---|------------------------|
| 18 | General Classrooms | 24 | General Classrooms |
| 2 | PreK | 2 | PreK |
| 3 | SPED | 3 | SPED |
| 2 | Music | 1 | Music |
| 1 | Art | 1 | Art |
| 1 | Intervention | 0 | Intervention |
| 4 | Open | 0 | Open |
| 31 | Total Classroom Spaces | 31 | Total Classroom Spaces |

Elementary students per section

| School | Class Counts | | | | | | | Range | Ratio |
|--|----------------|-----------------|-----------|-----------|-----------|------------|-------------|-------------|-------|
| | Afton Lakeland | Andersen | Brookview | Lake Elmo | Lily Lake | Rutherford | Stonebridge | | |
| K | 25 | 21 | 21 | 25 | 18 | 21 | 23 | 17.42-25.42 | 21.42 |
| | 25 | 21 | 21 | 24 | 18 | 21 | 23 | | |
| | 25 | 20 | 22 | 27* | 19 | 21 | 23 | | |
| | | | 22 | 23 | 20 | 21 | | | |
| | | | 25 | | | | | | |
| First | 24 | 20 | 23 | 20 | 18 | 19 | 23 | 17.42-25.42 | 21.42 |
| | 24 | 19 | 22 | 22 | 18 | 20 | 22 | | |
| | 24 | 18 | 21 | 20 | 19 | 21 | 23 | | |
| | | | 22 | 22 | 20 | 20 | | | |
| | | | 22 | | | | | | |
| Second | 23 | 28 | 20 | 27 | 23 | 25 | 26 | 21.42-29.42 | 25.42 |
| | 23 | 30** | 24 | 27 | 23 | 27 | 26 | | |
| | 23 | | 23 | 26 | 23 | 27 | 25 | | |
| | | | | 27 | 24 | 27 | | | |
| Third | 28 | 20 | 25 | 22 | 21 | 27 | 25 | 21.42-29.42 | 25.42 |
| | 27 | 19 | 25 | 24 | 22 | 27 | 23 | | |
| | 28 | 19 | 24 | 23 | 23 | 27 | 23 | | |
| | | | | 22 | | 26 | | | |
| Fourth | 25 | 33** | 25 | 32 | 21 | 24 | 28 | 26.42-32.42 | 29.42 |
| | 25 | 32 | 24 | 32 | 22 | 27 | 28 | | |
| | 23 | | 23 | 32 | 24 | 27 | 27 | | |
| | | | | 31 | | 28 | | | |
| Fifth | 25 | 22 | 30 | 27 | 28 | 29 | 28 | 26.42-32.42 | 29.42 |
| | 26 | 21 | 30 | 28 | 29 | 30 | 29 | | |
| | 25 | | | 27 | 30 | 29 | 29 | | |
| | | | | 27 | | 29 | | | |
| *Building team decision for Spanish immersion section with support | | | | | | | | | |
| **Although these sections are less than one student above the range, additional .5 FTE was added to reduce class size. | | | | | | | | | |
| | | Below the range | | | | | | | |

| Afton Lakeland | | | | | | |
|---------------------------------|-------------|------------------|--------------------------|-------------------|---------------------------|--------------------------|
| Grade | Upper Range | Current Sections | Max Seats-Current Config | Actual Enrollment | Avail Cap.-Current Config | Adjusted Avail. Capacity |
| PK | 20 | 2 | 40 | 40 | 0 | 0 |
| K | 25.42 | 3 | 76.26 | 75 | 1.26 | 1 |
| 1 | 25.42 | 3 | 76.26 | 72 | 4.26 | 4 |
| 2 | 29.42 | 3 | 88.26 | 69 | 19.26 | 19 |
| 3 | 29.42 | 3 | 88.26 | 83 | 5.26 | 5 |
| 4 | 32.42 | 3 | 97.26 | 73 | 24.26 | 24 |
| 5 | 32.42 | 3 | 97.26 | 76 | 21.26 | 21 |
| Total available capacity | | | | | 75.56 | 74 |

| Andersen | | | | | | |
|---------------------------------|-------------|------------------|--------------------------|-------------------|---------------------------|--------------------------|
| Grade | Upper Range | Current Sections | Max Seats-Current Config | Actual Enrollment | Avail Cap.-Current Config | Adjusted Avail. Capacity |
| PK | 20 | 1 | 20 | 20 | 0 | 0 |
| K | 25.42 | 3 | 76.26 | 62 | 14.26 | 14 |
| 1 | 25.42 | 3 | 76.26 | 55 | 21.26 | 21 |
| 2 | 29.42 | 2 | 58.84 | 58 | 0.84 | 0 |
| 3 | 29.42 | 3 | 88.26 | 58 | 30.26 | 30 |
| 4 | 32.42 | 2 | 64.84 | 64 | 0.84 | 0 |
| 5 | 32.42 | 2 | 64.84 | 44 | 20.84 | 20 |
| Total available capacity | | | | | 88.3 | 85 |

| Brookview | | | | | | |
|---------------------------------|-------------|------------------|--------------------------|-------------------|---------------------------|--------------------------|
| Grade | Upper Range | Current Sections | Max Seats-Current Config | Actual Enrollment | Avail Cap.-Current Config | Adjusted Avail. Capacity |
| PK | 20 | 2 | 40 | 40 | 0.00 | 0 |
| K | 25.42 | 4 | 101.68 | 86 | 15.68 | 15 |
| 1 | 25.42 | 4 | 101.68 | 88 | 13.68 | 13 |
| 2 | 29.42 | 3 | 88.26 | 67 | 21.26 | 21 |
| 3 | 29.42 | 3 | 88.26 | 74 | 14.26 | 14 |
| 4 | 32.42 | 3 | 97.26 | 72 | 25.26 | 25 |
| 5 | 32.42 | 2 | 64.84 | 59 | 5.84 | 5 |
| Total available capacity | | | | | 95.98 | 93 |

| Lake Elmo | | | | | | |
|---------------------------------|-------------|------------------|--------------------------|-------------------|---------------------------|--------------------------|
| Grade | Upper Range | Current Sections | Max Seats-Current Config | Actual Enrollment | Avail Cap.-Current Config | Adjusted Avail. Capacity |
| PK | 20 | 2 | 40 | 40 | 0 | 0 |
| K | 25.42 | 5 | 127.1 | 125 | 2.1 | 2 |
| 1 | 25.42 | 5 | 127.1 | 106 | 21.1 | 21 |
| 2 | 29.42 | 4 | 117.68 | 107 | 10.68 | 10 |
| 3 | 29.42 | 4 | 117.68 | 89 | 28.68 | 28 |
| 4 | 32.42 | 4 | 129.68 | 129 | 0.68 | 0 |
| 5 | 32.42 | 4 | 129.68 | 109 | 20.68 | 20 |
| Total available capacity | | | | | 83.92 | 81 |

| Lily Lake | | | | | | |
|---------------------------------|-------------|------------------|--------------------------|-------------------|---------------------------|--------------------------|
| Grade | Upper Range | Current Sections | Max Seats-Current Config | Actual Enrollment | Avail Cap.-Current Config | Adjusted Avail. Capacity |
| PK | 20 | 2 | 40 | 40 | 0 | 0 |
| K | 25.42 | 4 | 101.68 | 83 | 18.68 | 18 |
| 1 | 25.42 | 4 | 101.68 | 75 | 26.68 | 26 |
| 2 | 29.42 | 4 | 117.68 | 93 | 24.68 | 24 |
| 3 | 29.42 | 3 | 88.26 | 66 | 22.26 | 22 |
| 4 | 32.42 | 3 | 97.26 | 67 | 30.26 | 30 |
| 5 | 32.42 | 3 | 97.26 | 87 | 10.26 | 10 |
| Total available capacity | | | | | 132.82 | 130 |

| Rutherford | | | | | | |
|---------------------------------|-------------|------------------|--------------------------|-------------------|---------------------------|--------------------------|
| Grade | Upper Range | Current Sections | Max Seats-Current Config | Actual Enrollment | Avail Cap.-Current Config | Adjusted Avail. Capacity |
| PK | 20 | 2 | 40 | 40 | 0 | 0 |
| K | 25.42 | 4 | 101.68 | 84 | 17.68 | 17 |
| 1 | 25.42 | 4 | 101.68 | 80 | 21.68 | 21 |
| 2 | 29.42 | 4 | 117.68 | 106 | 11.68 | 11 |
| 3 | 29.42 | 4 | 117.68 | 107 | 10.68 | 10 |
| 4 | 32.42 | 4 | 129.68 | 106 | 23.68 | 23 |
| 5 | 32.42 | 4 | 129.68 | 117 | 12.68 | 12 |
| Total available capacity | | | | | 98.08 | 94 |

| Stonenbridge | | | | | | |
|---------------------------------|-------------|------------------|-----------|-------------------|--------------------|--------------------------|
| Grade | Upper Range | Current Sections | Max seats | Actual Enrollment | Available Capacity | Adjusted Avail. Capacity |
| PK | 20 | 2 | 40 | 34 | 6 | 6 |
| K | 25.42 | 3 | 76.26 | 70 | 6.26 | 6 |
| 1 | 25.42 | 3 | 76.26 | 68 | 8.26 | 8 |
| 2 | 29.42 | 3 | 88.26 | 77 | 11.26 | 11 |
| 3 | 29.42 | 3 | 88.26 | 71 | 17.26 | 17 |
| 4 | 32.42 | 3 | 97.26 | 83 | 14.26 | 14 |
| 5 | 32.42 | 3 | 97.26 | 86 | 11.26 | 11 |
| Total available capacity | | | | | 74.56 | 73 |

Secondary Class Size Averages

| | SMS | OLMS | SAHS* |
|--|-------|-------|---------------|
| English | 30.4 | 29.03 | 24.33 - 33.75 |
| Math | 26.39 | 30.5 | 23.67 - 32.8 |
| Science | 30.8 | 30.3 | 22.67 - 33.00 |
| Social Studies | 30.8 | 30.96 | 16.50 - 35.00 |
| * The High school is provided by range due to the number of different sub categories in each content area which are elective options | | | |
| **Numbers are as of 9.20.19 | | | |